

Cross-Connection Charges and Termination Equipment Charges
(Designation Order, pp. 13-14): Bell Atlantic assumed that 100 percent of cross-connected circuits will require repeaters. Use of repeaters for collocation arrangements will ensure the quality of service to the customer and prevent potential degradation to other customers' circuits.

Bell Atlantic has utilized repeater arrangements identical to those described above since divestiture in 1984. That was when a practice based on Bellcore Recommendation Letter IL-84/09-023 (entitled New Inter-DSX Tie Lines) was established to utilize repeaters for AT&T same-building arrangements.

In Transmittal No. 557, for DS1, repeaters comprised about 25 percent of the connection service rate, and for DS3, about 35 percent. For currently effective rates, for DS1, repeaters comprise 95 percent of the connection service rate, and for DS3, 77 percent.

Security Charges (Designation Order, p. 14): No Bell Atlantic central office is equipped with building-wide security cameras with continual monitoring. Nor are such arrangements necessary in a single-tenant central office building having highly-limited employee access like those that have been in existence in the past (Bell Atlantic itself limits access to central offices to a small subset of its own employees). Therefore, Bell Atlantic has no choice but to require security escorts when the central office configuration does not accommodate a completely securable entry path and collocator work area.

The Commission's order requires Bell Atlantic to provide entry into these sensitive telecommunications offices to any party that desires physical collocation (FCC Order Released Oct. 19, 1992, ¶ 39). Except in Maryland where the Public Service Commission's LEC-choice policy enables Bell Atlantic to exclude from physical collocation central offices that cannot be adequately secured, Bell Atlantic has no choice but to allow any party entry. There can be no assurance that each unsupervised collocator employee or agent will remain only in those areas designated for collocators.

Because central office buildings are laced with telephone company administered cables and contain equipment used to provide service to a large number of residential, business and governmental customers, a substantial and real opportunity exists for non-telephone-company-supervised collocator personnel

or agents to disconnect cables or equipment not belonging to the collocator thereby causing service outages to telephone company customers. The only way to prevent this situation is to have a qualified Bell Atlantic employee accompany the collocator's personnel or agent(s).

Further, without such a safeguard, Bell Atlantic's competitors have an incentive to observe its equipment upgrade activity in areas of the central office not designated for collocator use, thereby enabling the collocator to obtain highly-confidential competitive information before its other competitors and use that information to its competitive advantage even before Bell Atlantic's competitive service is made available.

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Virtual Collocation Rates (Designation Order, p. 14): None
of the issues pertain to Bell Atlantic.

- B. Are the rate structures established in the LECs' interconnection tariffs reasonable?

Bundling of Rate Elements (Designation Order, p. 18):

None of the functions that are included in a single rate element could reasonably be separated -- each function is required if a collocater takes any part of that element.

Central Office Construction Charges (Designation Order, pp. 18-19):

As reflected in Bell Atlantic's tariff filing, collocators are charged on a time and material basis for all construction costs incurred. Costs attributable to each collocator are identified separately from costs associated with areas shared with other collocators ("common" areas) and those common costs are pro-rated amongst all collocators which utilize the same common area.⁴ Upon termination of the collocation arrangement, Bell Atlantic intends to restore the space that the collocator previously occupied to its original condition unless there is immediate or expected demand for that same collocator space by another collocator. In that instance and in a manner consistent with long-established special construction principles the collocator terminating its collocation arrangement would not be billed restoration costs and the new collocator would not be billed time and material construction costs associated with the existing, pre-conditioned and secured space. This approach prevents "double recovery," while at the same time assuring full cost recovery.

4. Bell Atlantic tariff § 19.6(A), p. 969.

Non-recurring Charges - Up-Front Payment (Designation Order, p. 18): Bell Atlantic's tariff requires fifty-percent of the estimated construction charges up front⁵ with the remaining amount due, after reconciliation of the construction charge estimate with the actual costs, once the construction is completed.⁶ The approach of requiring an up-front deposit is a common real estate industry practice, particularly on a job of this size when there is no contracted commitment for reimbursement. The key reason that a deposit is necessary is that a financial commitment must be made by the landlord, which in this case is Bell Atlantic, in order to initiate the construction. Once construction is under way, additional costs are incurred. If the collocator were to withdraw its request before completion of the construction, as is permitted within Bell Atlantic's tariff, Bell Atlantic would be obligated to pay its suppliers for the work that had been performed but would have no assurance that those costs would be reimbursed. This fifty-percent deposit therefore limits, but does not eliminate, Bell Atlantic's exposure. It helps ensure that initial outlays will be recovered from the cost causers.⁷

5. Bell Atlantic Tariff § 19.3.1(B), p. 948.

6. Bell Atlantic Tariff § 19.3.2(B), p. 949.

7. If a collocator chooses to construct its own cage, the total costs owed to Bell Atlantic would be significantly reduced, as would the upfront payment.

Electric Power Increments (Designation Order, p. 19): Bell Atlantic chose to provide DC power on a 10-amp incremental basis because, during meetings with potential collocators, not one had identified a need for DC power in smaller increments. Bell Atlantic chose not to attempt to meter the DC power usage because of the additional cost and administrative burden to place and periodically read the meters, and to bill collocators for their individual usage. Bell Atlantic will accommodate unique power requests, where possible.

Standard and Non-Standard Enclosures (Designation Order, p. 17): Bell Atlantic limits access to central office facilities, including overhead cables and other overhead telecommunications facilities and devices, to a small subset of Bell Atlantic employees. This is done to prevent accidental or intentional damage to those central office facilities that may lead to service outages affecting large numbers of residential, business and governmental customers. Bell Atlantic intends to extend similar practices to collocator personnel for the same reasons. Therefore, when a collocator's cage is immediately beneath such overhead telecommunications facilities, a non-standard enclosure will be required.

Further, where Bell Atlantic has in-place overhead cables, ventilation equipment, or other facilities or devices, it must be able to service them without the need to enter collocators' cages. Further, because Bell Atlantic had agreed to notify collocators each time non-emergency access to their space is required⁸, both it and collocators would be unnecessarily burdened. The requirement for a non-standard enclosure in all such situations will enable Bell Atlantic personnel to quickly access the overhead facilities without entry into the collocator's cage. It should be noted that given the stated desires of a number of potential collocators for a higher-than-normal level of security, the non-standard enclosure

8. Bell Atlantic Tariff, § 19.3.5(H), p. 958.

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is offered as an option for all collocators in all physical collocation central offices.

Other Costs (Designation Order, p. 19: In its Order (released Oct. 19, 1992) and in the context of negotiating some details of virtual (and presumably physical) collocation arrangements, the Commission correctly concluded that space preparation necessary for physical collocation may vary significantly (p. 63, ¶ 136). These cost variations are related to a number of factors such as conditions in the particular collocation area(s) of each individual central office, requirements of individual collocators for greater-than-normal ventilation and air conditioning (a function of the type and amount of equipment used by each individual collocator), special security partition requests made by individual collocators, etc.

It is because of similar variations in tenant requirements that landlords and building contractors determine and bid prices on a case-specific basis. Bell Atlantic chose that same approach for the same reasons. This approach preserves the ability of individual collocators to obtain space arrangements that meet their unique needs while at the same time fully meets the Commission's requirement for cost-based rates.

The same principles hold true for virtual collocation training. Some collocators may be qualified and willing to train Bell Atlantic personnel themselves, rather than having Bell Atlantic incur and pass along vendor training fees. In such cases, only any remaining costs such as those associated with travel and personnel time would be filed in the tariff and billed to the collocator. In other cases, the collocator may

expect Bell Atlantic to obtain all training entirely on its own. In those cases, all training costs including the vendor training fees would be filed and billed to the collocator. As with space preparation charges addressed above, Bell Atlantic chose this approach to preserve the ability of collocators to select those arrangements that best meet their specific desires and abilities and to meet the Commission's objective of having cost-based rates.

In its tariff, Bell Atlantic cited "exceptional circumstances" that would be described and filed individually.⁹ In the context of the Common Nonrecurring Charge Proration, exceptional circumstances simply means any situation beyond those identified in the tariff that would inappropriately or unfairly result in the new collocator paying more for the collocation common space than the first collocator(s), or vice versa. An example would include the situation where common areas constructed under previous building codes are required to be updated to conform to a new building code. It is common for building codes to require conformance with the most recent code provisions upon request for new construction in a building. In such situations, new construction would occur due to the new collocator's request, and that would result in additional common area construction necessary to meet the new building codes. Since the first collocator would benefit as well, the standard tariff proration mechanism would have to be modified for that

9. Bell Atlantic Tariff, § 19.6(A), p. 969.

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locality. Otherwise, the new collocator would be burdened with a disproportionate share of the common costs.

C. Are the LECs' provisions regarding interconnection space size, expansion, and location reasonable?

Minimum/Maximum Space Increments: Bell Atlantic established a minimum square footage increment of 100 and a maximum square footage of 400. Bell Atlantic's tariff enables collocators to add (when space is available) or remove space within those boundaries in 100 square foot increments.

A minimum of 100 square feet of space was chosen for a number of reasons. First, Bell Atlantic remains responsible for the safety of its personnel and all other parties working within its central office buildings. The space standards that Bell Atlantic itself follows were created to ensure that adequate space exists for personnel movement, particularly while in close proximity to electrical equipment where safety is a concern. Considering the types and amount of transmission equipment that potential collocators have identified for use in Bell Atlantic central offices, this 100 square foot minimum is necessary in order to meet those same space standards. Second, technicians must have adequate space to access electronic transmission equipment from both the front and the back for testing and maintenance as well as to run cables that connect to this equipment. Bell Atlantic follows certain Bellcore guidelines that address this requirement (Network Equipment Building System Generic Equipment Requirements, TR-NWT-000063). Considering the types and amount of transmission equipment that collocators have identified for use, the 100 square foot minimum is necessary in order to meet those same standards.

Providing for a maximum amount of space for any one collocator ensures that no single collocator can order and hoard large amounts of space that other collocators or Bell Atlantic may ultimately need. An increment of 400 square feet was chosen as the maximum amount of space because that amount of space is the size of a typical central office building bay (the space between building support columns) and should, therefore, satisfy the space requirements of all potential collocators. It is within these building bays that a collocator's cage would be built.

Bell Atlantic will provide space in 100 square foot increments to help prevent additional unnecessary disruptions to central office operations, including those of other collocators, each time a collocator gets a new order for its services that necessitates an equipment addition. By standardizing the amounts of space, the number of individual construction jobs can be reduced since the growing collocator will not need to order additional equipment space as frequently. Further, standard space increments facilitate cage expansion on a contiguous basis since the floorplan layout can, where adequate space exists, be established with a greater level of predictability (e.g., spacing between 200 square foot cages can uniformly be 200 square feet to enable collocators on either end to expand to the maximum of 400 square feet on a contiguous basis).

Orders For Additional Space: Bell Atlantic's collocation tariff requires that existing physical collocators requesting

additional space submit a new application form describing their updated space requirements. Bell Atlantic will then follow the same steps for this subsequent request as for the initial request, including the design and planning process and construction work assessment. The costs that Bell Atlantic will incur up to the construction stage will therefore be the same as those incurred in the initial request process.

Because Bell Atlantic charges for space buildout on a time-and-materials basis, construction charges will not be duplicative; only newly-incurred costs associated with the request for additional space will be charged. The total nonrecurring costs would therefore be less for the additional space than for the initial space unless the collocator's new request involves fundamental changes to the existing collocation arrangements at the same time. For purposes of space availability, this request of the existing collocator for additional space will be treated as a new request to ensure that first-time collocators who have submitted requests before the existing collocator's request for additional space are treated on a first-come, first-served basis. This approach was chosen because it seemed to be the fairest of the possible options.

Contiguous Space: As already mentioned, Bell Atlantic's tariff facilitates the provision of contiguous space by identifying a specific objective for the placement of collocator spaces.¹⁰ This provision was created to ensure fair treatment

10. Bell Atlantic Tariff, § 19.3 (C), p. 945.

of collocators and to eliminate some of the difficulties anticipated in the administration of separate collocation spaces for the same collocator within the same central office. It should be noted that space availability limitations and central office configurations may not enable Bell Atlantic to meet this stated objective in every instance.

D. Are LECs tariff prohibitions against expanded interconnection with dark fiber service consistent with the Special Access Order?

Bell Atlantic's collocation tariff accepts an electrical interface (cross-connect) signal through Bell Atlantic network equipment on its end and collocator equipment on the other end. Dark fiber, which is fundamentally different by definition, is incompatible with such a cross-connect arrangement since dark fiber is only provided from a customer premises to another customer premises with the customer obtaining, placing and operating the equipment on both ends.

E. Do the LECs' tariffs prevent interconnector control over channel assignment on the interconnectors' networks and, if so, is such an arrangement reasonable?

Bell Atlantic will offer collocators full control and accountability of the connecting facility arrangement for all multiplexed facilities ordered from Bell Atlantic's special access tariff under the terms and conditions set out in that tariff. Bell Atlantic FCC Tariff No. 1, § 7.

F. Are the LECs' provisions regarding warehousing or efficient use of space reasonable?

Efficient Use Of Space: Bell Atlantic's collocation tariff places certain requirements on collocators to ensure that space is not unjustifiably being withheld from other uses of Bell Atlantic or of other collocators.¹¹ For example, Bell Atlantic's tariff states that "no more than 50% of the floor space is (to be) used for storage cabinets and work surfaces." The tariff states further that "if Collocated Interconnection Space is needed to accommodate another Physical Collocator or the Telephone Company's service, the Telephone Company may take back from Physical Collocator Collocated Interconnection Space beyond the minimum increment of 100 square feet that is not being efficiently used" and that "the Telephone Company may take back for the same purposes the minimum Physical Collocated Interconnection space if it is not being used for Collocated Interconnection Service as specified in this tariff" Under Bell Atlantic's tariff, any such collocator will be provided 90 days to either use the space efficiently or abandon the space.

Such regulation is reasonable and necessary to ensure the use of the space as intended by the Commission and not for other purposes, and, as indicated above, to ensure that space is not unjustifiably being withheld from other uses of other collocators or of Bell Atlantic.

11. See Bell Atlantic Tariff, § 19.3.4(A)-(B), p. 953 and § 19.4(C), p. 964.

Applying the Commission's four criteria for use of space to Bell Atlantic's tariff provisions: (1) eviction would not take place if the space is operational and space for additional collocators is available; (2) eviction would not occur if the space is operational and space for additional collocators is not available, however, the collocator would have to forfeit all but the 100 square foot minimum if the space is not efficiently using its collocation space; (3) eviction would not take place if the space is not operational and space for additional collocators is available; and (4) eviction would take place if it is not operational and space for additional collocators is not available if another collocation request exists for that central office or if Bell Atlantic needs the space to provide its service.

Time Limit For Efficient Use Of Space: Bell Atlantic's tariff requires that a collocator use its collocation space within a 90-day period from the time that notice is given or forfeit that space to another collocator or Bell Atlantic for its own use.¹² This provision does not apply if other space is available within that central office. If space is not available, the tariff limitation is reasonable and necessary to ensure the use of the space as intended by the Commission and not for other purposes, and to ensure that space is not unjustifiably being withheld from other uses of other collocators or of Bell Atlantic. Under the Commission's

12. Bell Atlantic Tariff, § 19.3.4(B), p. 953.

collocation Orders, collocators should not occupy any space in any telephone company central office for any period of time if that space is not being used to provide special access services. With that considered, a 90-day period for the establishment of the collocator's service is fair and reasonable.

Bell Atlantic's tariff does not contain a provision that directly addresses the issue of providing additional space when the collocator's existing space is not being efficiently used; however, Bell Atlantic will apply the exact same standards addressed above to this situation. The application of the same standards would ensure that the space is used as intended by the Commission and not for other purposes and would ensure that space is not unjustifiably being withheld from other uses of Bell Atlantic or of other collocators.

- G. Are the LECs' provisions regarding notice to or from interconnectors in the event of service termination reasonable?

LEC-Initiated Termination - Notice Period: Bell Atlantic's tariff requires that it provide a written notice to the collocator 30 days before discontinuing service when the collocator has violated terms of the tariff (e.g., collocator non-payment).¹³ This means that in the case of non-payment the collocator would remain operating at least a full 90-day period before termination would occur, because the 30-day written notice of termination follows a 30-day written notice of non-payment which occurs only after the 30-day payment window corresponding to the end of the bill month. Further, this tariff provision is identical to that applied to all other customers of Bell Atlantic's interstate access tariff and is necessary to ensure compliance with such tariff provisions.

Also, in the event that the collocation space is rendered unusable or the central office is damaged, to the extent that Bell Atlantic decides to demolish, rebuild or abandon it, notice must be provided to the collocator within 90 days of the damage specifying a date for termination within a period not to exceed 60 days from the notice to the collocator.¹⁴ Under such circumstances, input or directives must be received from a number of entities such as the local fire department or other governmental agencies like the Environmental Protection Agency

13. Bell Atlantic Tariff, § 2.1.8(B), p. 29.

14. Bell Atlantic Tariff, § 19.3.7(G)(4), p. 962.

(EPA), insurers and contractors. Bell Atlantic's ability to remedy such central office damages or its decisions regarding the fate of the affected central office would be heavily influenced by these outside concerns. For example, the EPA will not allow remedial activity to commence until after its 30-day environmental impact study is completed. The collocation tariff intervals were established to enable Bell Atlantic to formulate its plans following the completion of such studies and the receipt of such input or directives and to ensure that the collocater is afforded a reasonable amount of time following the occurrence of the damage to implement its contingency/disaster recovery plans.

When the central office becomes the subject of a taking by eminent domain authority having such power, Bell Atlantic's tariff requires it to provide notice to the collocater and identify the schedule for discontinuance which shall be based on the requirements of the eminent domain authority. Because Bell Atlantic cannot control the interval for discontinuance under such circumstances, it cannot guarantee a specific notice period, however, these situations are normally known well in advance and all customers affected by the taking would be notified immediately following Bell Atlantic's receipt of notice from that eminent authority.

When a central office is closed, decommissioned or sold and no longer used as a central office, Bell Atlantic's tariff requires it to provide the collocater(s) at least 90 days'